

ANNUAL FINANCIAL REPORT

CITY OF NICOMA PARK, OKLAHOMA

**(INCLUDING THE NICOMA PARK
DEVELOPMENT AUTHORITY)**

FOR THE YEAR ENDED JUNE 30, 2021

**CITY OF NICOMA PARK
OKLAHOMA COUNTY, OKLAHOMA
FOR THE YEAR ENDED JUNE 30, 2021**

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**THE CITY OF NICOMA PARK, OKLAHOMA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Chas. W. Carroll, P.A

302 N. Independence
Independence Tower - Suite 103
Enid, Oklahoma 73701

Phone 580-234-5468
Fax 580-234-5425

Independent Auditors Report

City Council
City of Nicoma Park
Hooker, Oklahoma

Adverse and Unmodified Opinions

We have audited the modified cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Nicoma Park, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Nicoma Park's basic financial statements as listed in the table of contents.

Adverse Opinion on Governmental Activities

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the governmental activities of the City of Nicoma Park, as of June 30, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on Business-Type Activities, Aggregate Discretely Presented Component Units, Each Major Fund, and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Nicoma Park as of June 30, 2021, and the respective changes in financial position-modified cash basis and, where applicable, cash flows, thereof for the year then ended with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Nicoma Park and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities

As discussed in Note 1c in the financial statements and referred to above do not include the general fixed assets group of accounts. Accounting principles generally accepted in the United States of America require that those assets be capitalized and depreciated, which would increase the assets and net position and change the expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1c of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1C, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Nicoma Park's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Nicoma Park's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and accrual basis budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Nicoma Park's basic financial statements. The combining, individual nonmajor fund financial statements, modified cash basis budgetary schedules, and schedule of expenditures of federal awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, modified cash basis budgetary comparison schedules, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying City Council accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary schedules of the use of modified cash basis of accounting are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023 on our consideration of the City of Nicoma Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Nicoma Park's internal control over financial reporting and compliance.

Chas. W. Carroll, P.A.
Enid, Oklahoma
May 30, 2023

Chas. W. Carroll, P.A

302 N. Independence
Independence Tower - Suite 103
Enid, Oklahoma 73701

Phone 580-234-5468
Fax 580-234-5425

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

City Council
City of Nicoma Park
Nicoma Park, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund of the City of Nicoma Park, Oklahoma, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Nicoma Park's basic financial statements and have issued our report thereon dated May 30, 2023. The report on the City was adverse to the fair presentation of the governmental activities since the financial statements did not include the general fixed assets group of accounts.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Nicoma Park's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chas. W. Carroll, P.A.

Chas. W. Carroll, P.A.

May 30, 2023

BASIC FINANCIAL STATEMENTS

THE CITY OF NICOMA PARK, OKLAHOMA
INCLUDING THE NICOMA PARK DEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS--MODIFIED CASH BASIS
AS OF JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Totals
CURRENT ASSETS			
Cash and Cash Equivalents	\$1,766,252	\$1,484,893	\$3,251,145
Amounts Advanced to Fiscal Agent		61,281	61,281
Total Current Assets	1,766,252	1,546,174	3,312,426
NON-CURRENT ASSETS			
Capital Assets	0	3,832,579	3,832,579
Less Accumulated Depreciation	0	(1,664,126)	(1,664,126)
Capital Assets - (Net)	0	2,168,453	2,168,453
TOTAL ASSETS	1,766,252	3,714,627	5,480,879
CURRENT LIABILITIES			
Warrants Outstanding	33,623	15,007	48,630
Notes Payable - Current Portion	0	173,359	173,359
Total Current Liabilities	33,623	188,366	221,989
NON-CURRENT LIABILITIES			
Customer Deposits Payable	0	37,273	37,273
Notes Payable - Non-Current Portion	0	3,867,248	3,867,248
Total Non-Current Liabilities	0	3,904,521	3,904,521
TOTAL LIABILITIES	33,623	4,092,887	4,126,510
NET ASSETS			
Debt Service	3,821	0	3,821
Unrestricted	1,728,808	(378,260)	1,350,548
TOTAL NET ASSETS	1,732,629	(378,260)	1,354,369
TOTAL LIABILITIES AND NET ASSETS	\$1,766,252	\$3,714,627	\$5,480,879

The notes to the financial statements are an integral part of this statement.

**CITY OF NICOMA PARK, OKLAHOMA
INCLUDING THE NICOMA PARK DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES--MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS:	Program Revenue			Net (Expense) Revenue
	Expenses	Charges For Services	Operating Grants	
Governmental Activities				
City of Hooker	\$2,063,854	\$68,209	\$16,330	(\$1,979,315)
Business-Type Activities				
Hooker Municipal Authority	1,498,181	293,418		(1,204,763)
Total Primary Government	\$3,562,035	\$361,627	\$16,330	(\$3,184,078)

CHANGES IN NET ASSETS:	Primary Government		
	Governmental Activities	Business Type Activities	Total
Net (Expense) Revenue	(\$1,979,315)	(\$1,204,763)	(\$3,184,078)
General Revenue			
Sales Taxes	1,252,049	496,595	1,748,644
Other Taxes	263,596	0	263,596
Fines and Forfeitures	756,476	0	756,476
Licenses and Permits	12,901	0	12,901
Interest	775	109,273	110,048
Other Income	116,610	0	116,610
Total General Revenue	423,092	(598,895)	(175,803)
Transfers--In (Out)	0	0	0
Other Financing Sources (Uses)	118	130	248
Change in Net Assets	423,210	(598,765)	(175,555)
Net Assets--Beginning	1,309,420	(353,577)	955,843
Net Assets--Ending	\$1,732,630	(\$952,342)	\$780,288

The notes to the financial statements are an integral part of this statement.

THE CITY OF NICOMA PARK, OKLAHOMA
INCLUDING THE NICOMA PARK DEVELOPMENT AUTHORITY
COMBINED BALANCE SHEET
ALL FUND TYPES--MODIFIED CASH BASIS
AS OF JUNE 30, 2021

	<u>GOVERNMENTAL FUND TYPES</u>		<u>DEBT SERVICE</u>	<u>FIDUCIARY FUND TYPE</u>	<u>PROPRIETARY FUND TYPE</u>	<u>TOTAL</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Sinking Fund</u>	<u>Trust and Agency</u>	<u>Enterprise Fund</u>	<u>(Memorandum Only)</u>
<u>ASSETS</u>						
Cash, including time deposits	\$1,487,719	\$177,010	\$3,821	\$107,432	\$1,484,893	\$3,260,875
Amounts Advanced to Fiscal Agent					\$61,281	61,281
Total Current Assets	<u>1,487,719</u>	<u>177,010</u>	<u>3,821</u>	<u>107,432</u>	<u>1,546,174</u>	<u>3,322,156</u>
Capital Assets	0	0	0	0	3,832,579	3,832,579
Less: Accumulated Depreciation	0	0	0	0	(1,664,126)	(1,664,126)
Capital Assets - (Net)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,168,453</u>	<u>2,168,453</u>
Total Assets	<u>1,487,719</u>	<u>177,010</u>	<u>3,821</u>	<u>107,432</u>	<u>3,714,627</u>	<u>5,490,609</u>
<u>LIABILITIES</u>						
Warrants Outstanding	36,518	6,717	0	118	15,007	58,360
Customers' Deposits Payable	0	0	0	0	37,273	37,273
OWRB Notes Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,040,607</u>	<u>4,040,607</u>
Total Liabilities	<u>36,518</u>	<u>6,717</u>	<u>0</u>	<u>118</u>	<u>4,092,887</u>	<u>4,136,240</u>
<u>FUND EQUITY</u>						
Fund Balance	1,451,201	170,293	3,821	107,314	0	1,732,629
Retained Earnings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(378,260)</u>	<u>(378,260)</u>
Total Fund Equity	<u>1,451,201</u>	<u>170,293</u>	<u>3,821</u>	<u>107,314</u>	<u>(378,260)</u>	<u>1,354,369</u>
Total Liabilities and Fund Equity	<u>\$1,487,719</u>	<u>\$177,010</u>	<u>\$3,821</u>	<u>\$107,432</u>	<u>\$3,714,627</u>	<u>\$5,490,609</u>

See accompanying letter and notes to financial statements.

THE CITY OF NICOMA PARK, OKLAHOMA
INCLUDING THE NICOMA PARK DEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ALL GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GOVERNMENTAL FUND TYPES			TOTALS
	General Fund	Debt Service Fund	Special Revenue Funds	(Memorandum Only)
REVENUES:				
Franchise Tax	\$89,378	\$0	\$0	\$89,378
Sales Tax	1,252,049	0	0	1,252,049
Tobacco Tax	11,661	0	0	11,661
Alcoholic Beverage Tax	5,660	0	0	5,660
Use Tax	136,367	0	0	136,367
Licenses and Permits	12,901	0	0	12,901
Charges for Services	67,661	0	0	67,661
Intergovernmental	0	0	21,073	21,073
Interest	769	1	5	775
Grants and Contracts	13,926	0	2,404	16,330
Salary Reimbursements	96,364	0	0	96,364
Fines and Forfeitures	295,385	0	0	295,385
Miscellaneous	5,136	0	15,980	21,116
Total Revenues	1,987,257	1	39,462	2,026,720
EXPENDITURES:				
Police Department	470,497	0	0	470,497
Fire Department	216,105	0	0	216,105
Municipal Court	121,874	0	0	121,874
Maintenance Department	108,846	0	0	108,846
General Government	740,708	0	0	740,708
Intergovernmental	0	0	37,517	37,517
Total Expenditures	1,658,030	0	37,517	1,695,547
Revenues Over/(Under) Expenditures	329,227	1	1,945	331,173
OTHER FINANCING SOURCES/(USES):				
Transfers Among Funds	0	0	0	0
Total Other Financing Sources/(Uses)	0	0	0	0
Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	329,227	1	1,945	331,173
Fund Balance, Beginning of Year	1,121,974	3,820	168,349	1,294,143
Fund Balance, End of Year	<u>\$1,451,201</u>	<u>\$3,821</u>	<u>\$170,294</u>	<u>\$1,625,316</u>

See accompanying letter and notes to financial statements.

**THE CITY OF NICOMA PARK, OKLAHOMA
INCLUDING THE NICOMA PARK DEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budget	Actual	Variance Favorable/ (Unfavorable)
REVENUES:			
Franchise Tax	\$77,497	\$89,378	\$11,881
Sales Tax	843,134	1,252,049	408,915
Tobacco Tax	8,709	11,661	2,952
Alcoholic Beverage Tax	5,766	5,660	(106)
Use Tax	0	136,367	136,367
Licenses and Permits	10,207	12,901	2,694
Charges for Services	23,382	67,661	44,279
Interest	0	769	769
Grants and Contracts	0	13,926	13,926
Salary Reimbursements	0	96,364	96,364
Fines and Forfeitures	202,571	295,385	92,814
Miscellaneous	0	5,136	5,136
Total Revenues	1,171,266	1,987,257	815,991
EXPENDITURES:			
Police Department	614,535	470,497	144,038
Fire Department	325,658	216,105	109,553
Municipal Court	151,167	121,874	29,293
Maintenance Department	220,652	108,846	111,806
General Government	981,228	740,708	240,520
Total Expenditures	2,293,240	1,658,030	635,210
Revenues Over/(Under) Expenditures	(1,121,974)	329,227	180,781
OTHER FINANCING SOURCES/(USES):			
Transfers Among Funds	0	0	0
Total Other Financing Sources/(Uses)	0	0	0
Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	(1,121,974)	329,227	1,451,201
Fund Balance, Beginning of Year	1,121,974	1,121,974	0
Fund Balance, End of Year	\$0	\$1,451,201	\$1,451,201

See accompanying letter and notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

THE CITY OF NICOMA PARK, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the City of Nicoma Park, Oklahoma relating to the funds included in the financial statements conform to generally accepted accounting principles of state and local governments, except as noted below. The following represents the more significant accounting and reporting policies and practices of the City:

(a) **Reporting Entity**

The City of Nicoma Park, for financial reporting purposes, includes funds and account groups over which the governing board exercises oversight authority.

INCLUDED ENTITIES

The Nicoma Park Development Authority is a public trust created under authority of and pursuant to the provisions of 60 O.S. Sections 176-180., for the use and benefit of the City of Nicoma Park, Oklahoma. The trust has as its purpose to develop, construct, plan, establish, install, enlarge, improve, maintain, equip, operate, control and regulate utility facilities whether water, sewage, gas, electric, or other forms or types of public and Municipal services within and without the corporate boundaries of the City of Nicoma Park. The Authority financed the construction of a sanitary sewer system which connects some residents into the Choctaw Utility Authority's sewer system. The city council functions as the trustees of the Nicoma Park Development Authority.

(b) **Fund Accounting**

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, transfers, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements in this report, as follows:

THE CITY OF NICOMA PARK, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(b) Fund Accounting (continued)

Governmental Fund Types

General Fund - The General Fund is the principal fund of the City which accounts for all financial transactions not properly accounted for in other funds. This fund accounts for the general operating transactions of the City including police and fire protection, street repairs and maintenance, planning and development, and administration.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Special revenue funds include:

Street and Alley - Established to account for revenues received from gasoline excise and commercial vehicle tax, and expenditures made for street maintenance and operations, and capital outlay.

Municipal Park - Used to keep track of funds designated for a city park.

Police Warrant - Accounts for forty percent (40%) of citations collected by police officers.

Capital Projects Fund - The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt and related costs.

THE CITY OF NICOMA PARK, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(b) Fund Accounting (continued)

Proprietary Fund Types

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. This fund includes the Nicoma Park Development Authority.

Enterprise Funds – Capital Assets and Depreciation

Capital Asset activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases/ (Decreases)</u>	<u>Ending Balance</u>
Water Infrastructure	\$ 2,993,987.13	655,655.00	\$ 3,649,642.13
Water Line Extension	<u>182,937.22</u>	<u> </u>	<u>182,937.22</u>
Totals	\$ 3,176,924.35		\$ 3,832,579.35
Accumulated Depreciation	<u>1,599,009.76</u>	<u>65,177.00</u>	<u>1,664,126.76</u>
Net Assets	<u>\$ 1,577,914.59</u>		<u>\$ 2,168,452.59</u>

Depreciation is computed using monthly straight-line methods over the estimated useful lives of assets. Assets are recorded at cost or estimated fair market values. (CPI inflation calculations were also utilized to establish beginning asset values.)

Fiduciary Funds

Fiduciary funds are trust or agency funds used to account for assets held by the City in a trustee capacity or as an agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Fiduciary fund types include:

Agency Funds - Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. They are custodial in nature and do not involve measurement of results of operations.

Agency funds include:

Municipal Court - The municipal court fund accounts for the collection and refund or forfeiture of municipal court bonds.

THE CITY OF NICOMA PARK, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(c) Basis of Accounting

The modified cash basis of accounting is followed. Revenues are recorded when received rather than when earned. Expenditures are basically recorded when paid, however, outstanding encumbrances, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation.

This method of accounting is a comprehensive basis of accounting which differs from the method required under generally accepted accounting principles. Generally accepted accounting principles for municipalities require that the modified accrual basis of accounting be followed.

(d) Total (Memorandum Only)

The combined financial statements have "Total (Memorandum Only)" columns. These columns do not purport to present the consolidated financial position of the City of Nicoma Park, Oklahoma. All significant interfund transactions would be eliminated and other adjustments would be made in the preparation of consolidated financial statements.

(e) Budget

The City's budget represents appropriations originally authorized and any subsequent revisions that were officially adopted during the fiscal year. The City's budget is also prepared under the modified cash basis of accounting. In accordance with Oklahoma law, all remaining unexpended appropriations lapse at year end.

(f) Compensated Absences

The City records vacation and sick leave expenditures only at the time such leave is actually paid.

(2) **DEPOSITS, INVESTMENTS, AND COLLATERAL**

The City is statutorily limited to investing public funds in insured checking accounts, certificates of deposit, insured savings accounts, savings certificates and U.S. or Oklahoma government obligations. The City is also required to secure collateral for invested funds in excess of amounts insured by the Federal Deposit Insurance Corporation or Federal Savings & Loan Insurance Corporation. Acceptable collateral is primarily limited to federal, state and local government obligations.

THE CITY OF NICOMA PARK, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(2) **DEPOSITS, INVESTMENTS, AND COLLATERAL** (continued)

Custodial Credit Risk - The City's policy as it relates to custodial credit risk is to secure its uninsured deposits with collateral, valued at no more than market value, at least at a level of 100 percent of the uninsured deposits and accrued interest thereon. The investment policy and state law also limits acceptable collateral to U.S. Treasury and agency securities and direct debt obligations of the state, municipalities, counties, and school districts in the state of Oklahoma, surety bonds, and letters of credit. As required by Federal 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the City must have a written collateral agreement approved by the board of directors or loan committee.

At June 30, 2021, the City was not exposed to custodial credit risk as defined above.

Investment Credit Risk – The City's investment policy limits investments to those allowed in state law applicable to school districts as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy limits investments to those with short-term maturities, as a means of managing exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments.

THE CITY OF NICOMA PARK, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(2) **DEPOSITS, INVESTMENTS, AND COLLATERAL** (continued)

Concentration of Investment Credit Risk – Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5 percent are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City's investment policy requires diversification of investments. At June 30, 2021, the City had no concentration of credit risk as defined above.

(3) **LONG-TERM DEBT**

For the year ended June 30, 2021, changes in long-term debt were as follows:

Notes Payable – OWRB ORF-15-0006-CW

Balance, June 30, 2020	\$ 3,484,876
Retirements – Principal Paid	<u>99,924</u>
Balance, June 30, 2021	<u>\$ 3,384,952</u>

On May 19, 2015, the OWRB established a line of credit (not to exceed \$4,120,000) for the Nicoma Park Development Authority, and the proceeds of this note are to be utilized to construct sanitary sewer system improvements, to pay engineering costs, and to pay other costs associated with obtaining the CWSRF note. The note bears a fixed interest rate of 2.13% plus an administrative charge of 0.50% for an all-inclusive interest rate of 2.63% for the remaining term of the loan. Semi-annual principal and interest payments will be due on September 15th and March 15th. The Authority maintains a reserve fund with its fiscal agent.

At June 30, 2021, the annual debt service requirements to maturity were as follows:

<u>Year Ended June 30,</u>	<u>Interest</u>	<u>Administration</u>	<u>Principal</u>
	(Business – Type Activities)		
2022	72,555	17,032	102,559
2023	70,326	16,508	105,263
2024	68,223	16,015	108,039
2025	65,690	15,420	110,888
2026-2030	291,155	68,346	599,879
2031-2035	222,400	52,207	683,262
2036-2040	144,146	33,837	778,234
2041-2045	54,851	12,876	886,407
2046	<u>113</u>	<u>27</u>	<u>10,421</u>
Totals	<u>\$ 1,064,186</u>	<u>249,810</u>	<u>\$3,384,952</u>

THE CITY OF NICOMA PARK, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(3) LONG-TERM DEBT

Notes Payable – OWRB ORF-19-0007-DW

Balance, June 30, 2021	\$ 4,664,800
Retirements – Principal Paid	<u>0</u>
Balance, June 30, 2021	<u>\$ 4,664,800</u>

On March 15, 2021, the OWRB established a line of credit (not to exceed \$4,664,800) for the Nicoma Park Development Authority, and the proceeds of this note are to be utilized to construct two ground water wells. The note bears a fixed interest rate of 2.05% plus an administrative charge of 0.50% for an all-inclusive interest rate of 2.55% for the remaining term of the loan. Semi-annual principal and interest payments will be due on September 15th and March 15th. The Authority maintains a reserve fund with its fiscal agent.

At June 30, 2021, the annual debt service requirements to maturity were as follows:

<u>Year Ended June 30,</u>	<u>Interest</u>	<u>Administration</u>	<u>Principal</u>
	(Business – Type Activities)		
2022	88,896	21,682	70,800
2023	95,119	23,200	72,500
2024	93,857	22,892	74,200
2025	92,049	22,451	76,400
2026-2030	435,669	106,261	412,600
2031-2035	390,194	95,169	469,200
2036-2040	338,652	82,598	533,300
2041-2045	279,658	68,209	606,600
2046-2050	147,915	36,078	2,120,600
2051	<u>2,395</u>	<u>584</u>	<u>228,600</u>
Totals	\$ <u>1,964,408</u>	<u>479,124</u>	<u>\$4,664,800</u>

(4) RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. Accordingly, the City purchases commercial insurance to reduce its risk of loss. Also, all personnel responsible for custody of cash were bonded during the fiscal year.

THE CITY OF NICOMA PARK, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

(5) **PENSION AND RETIREMENT PLANS**

All police personnel participate in the Statewide Oklahoma State Police Pension and Retirement System. Plan members are required to contribute 8.0% of their annual covered salary and the City of Nicoma Park contributes 13.0% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the state legislature.

All firefighters participate in the Statewide Oklahoma Firefighter's Pension and Retirement System. Plan members are required to contribute 8.0% of their annual covered salary and the City of Nicoma Park contributes 13.0% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the state legislature.

Historical trend information is presented in annual reports for these retirement systems. This information is useful in assessing a pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

(6) **COMMITMENTS AND CONTINGENT LIABILITIES**

The financial statements do not include any provision for loss contingencies resulting from litigation. Under applicable Oklahoma statutes, cities generally establish a sinking fund to satisfy legal judgments rendered against them. Tax revenues are then specifically assessed for payment of these claims which have been reduced to judgment. Such claims are generally paid through these special tax assessments over a three (3) year period.

(7) **SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 30, 2023, which is the date that the financial statements were issued.

COMBINING FINANCIAL STATEMENTS

THE CITY OF NICOMA PARK, OKLAHOMA
SCHEDULE OF REVENUES BY SOURCE - BUDGET AND ACTUAL
GENERAL FUND - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
TAXES:			
Franchise Tax	\$77,497	\$89,378	\$11,881
LICENSES AND PERMITS			
Permit Fee	10,207	12,901	2,694
Dog Tax			0
	<u>10,207</u>	<u>12,901</u>	<u>2,694</u>
INTERGOVERNMENTAL:			
State Grants	0	13,926	13,926
Alcoholic Beverage Tax	5,766	5,660	(106)
Tobacco Tax	8,709	11,661	2,952
Use Tax	0	136,367	136,367
Sales Tax	843,134	1,252,049	408,915
	<u>857,609</u>	<u>1,419,663</u>	<u>562,054</u>
CHARGES FOR SERVICES:			
Technology Fees	0	18,945	18,945
Police Department Fees	0	24,396	24,396
Licenses	23,382	24,320	938
	<u>23,382</u>	<u>67,661</u>	<u>44,279</u>
FINES AND FORFEITURES	<u>202,571</u>	<u>295,385</u>	<u>92,814</u>
INTEREST	<u>0</u>	<u>769</u>	<u>769</u>
MISCELLANEOUS:			
Royalties	0	1,834	1,834
Fire and Police Reports	0	72	72
NPDA Salary Reimbursement	0	77,218	77,218
Salary Reimbursements	0	19,146	19,146
UBC Commissions	0	414	414
Vending Machine	0	2,816	2,816
	<u>0</u>	<u>101,500</u>	<u>101,500</u>
TOTAL	<u>\$1,171,266</u>	<u>\$1,987,257</u>	<u>\$815,991</u>

THE CITY OF NICOMA PARK, OKLAHOMA
SCHEDULE OF EXPENDITURES BY CLASSIFICATION - BUDGET AND ACTUAL
GENERAL FUND - MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
MUNICIPAL COURT:			
Personal Services	\$109,007	\$103,382	\$5,625
Maintenance and Operation	29,260	16,999	12,261
Capital Outlay	5,400	444	4,956
Intergovernmental	1,500	1,049	451
Other	6,000	0	6,000
Total Municipal Court	151,167	121,874	29,293
MAINTENANCE DEPARTMENT:			
Personal Services	120,752	96,457	24,295
Maintenance and Operation	51,900	11,555	40,345
Capital Outlay	45,000	834	44,166
Other	3,000	0	3,000
Total Maintenance Department	220,652	108,846	111,806
GENERAL GOVERNMENT:			
Personal Services	219,949	234,259	(14,310)
Maintenance and Operation	139,551	46,850	92,701
Capital Outlay	19,228	1,299	17,929
Intergovernmental	542,500	458,300	84,200
Other	60,000	0	60,000
Total General Government	981,228	740,708	240,520
POLICE DEPARTMENT:			
Personal Services	391,413	333,123	58,290
Maintenance and Operation	157,700	99,920	57,780
Capital Outlay	47,822	27,710	20,112
Intergovernmental	1,000	644	356
Other	9,100	9,100	0
Reserves	7,500	0	7,500
Total Police Department	614,535	470,497	144,038
FIRE DEPARTMENT:			
Personal Services	172,666	142,856	29,810
Maintenance and Operation	80,900	44,941	35,959
Capital Outlay	62,600	23,567	39,033
Intergovernmental	600	146	454
Other	4,642	4,595	47
Reserves	4,250	0	4,250
Total Fire Department	325,658	216,105	65,769
TOTAL	\$2,293,240	\$1,658,030	\$591,426

**THE CITY OF NICOMA PARK, OKLAHOMA
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2021**

	<u>STREET & ALLEY FUND</u>	<u>POLICE WARRANT FUND</u>	<u>CDBG FUND</u>	<u>POLICE TRAINING FUND</u>	<u>JUVENILE COURT FUND</u>	<u>MUNICIPAL COURT FUND</u>	<u>FIREWORKS FUND</u>	<u>TOTALS (Memorandum Only)</u>
<u>ASSETS</u>								
Cash and Cash Equivalents	<u>\$48,936</u>	<u>\$3,445</u>	<u>\$45,304</u>	<u>\$53,893</u>	<u>\$4,624</u>	<u>\$9,000</u>	<u>\$11,808</u>	<u>\$177,010</u>
Total Assets	<u><u>\$48,936</u></u>	<u><u>\$3,445</u></u>	<u><u>\$45,304</u></u>	<u><u>\$53,893</u></u>	<u><u>\$4,624</u></u>	<u><u>\$9,000</u></u>	<u><u>\$11,808</u></u>	<u><u>\$177,010</u></u>
<u>LIABILITIES</u>								
Warrants Outstanding	<u>\$5,012</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,705</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,717</u>
Total Liabilities	<u><u>\$5,012</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$1,705</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$6,717</u></u>
<u>FUND BALANCE</u>								
Unreserved Fund Balance	<u>43,924</u>	<u>3,445</u>	<u>45,304</u>	<u>52,188</u>	<u>4,624</u>	<u>9,000</u>	<u>11,808</u>	<u>170,293</u>
Total Fund Balance	<u><u>\$43,924</u></u>	<u><u>\$3,445</u></u>	<u><u>\$45,304</u></u>	<u><u>\$52,188</u></u>	<u><u>\$4,624</u></u>	<u><u>\$9,000</u></u>	<u><u>\$11,808</u></u>	<u><u>\$170,293</u></u>
Total Liabilities and Fund Balance	<u><u>\$48,936</u></u>	<u><u>\$3,445</u></u>	<u><u>\$45,304</u></u>	<u><u>\$53,893</u></u>	<u><u>\$4,624</u></u>	<u><u>\$9,000</u></u>	<u><u>\$11,808</u></u>	<u><u>\$177,010</u></u>

THE CITY OF NICOMA PARK, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	STREET & ALLEY	POLICE WARRANT	CDBG	POLICE TRAINING	JUVENILE COURT	MUNICIPAL PARK	FIREWORKS	TOTALS (Memorandum Only)
REVENUES:								
Intergovernmental:								
State Shared Revenue								
Gasoline Tax	\$5,872	\$0	\$0	\$0	\$0	\$0	\$0	\$5,872
Motor Vehicle Tax	14,658	0	0	0	0	0	0	14,658
Warrant Fund Collections	0	0	0	0	0	0	0	0
Lein Collections	543	0	0	0	0	0	0	543
Total Intergovernmental	21,073	0	0	0	0	0	0	21,073
Interest	5	0	0	0	0	0	0	5
Miscellaneous:								
Grants	0	0	2,404	0	0	0	0	2,404
Other	0	0	0	12,380	0	0	3,600	15,980
Total Miscellaneous	0	0	2,404	12,380	0	0	3,600	18,384
Total Revenues	21,078	0	2,404	12,380	0	0	3,600	39,462
EXPENDITURES:								
Personal Services	0	0	0	0	0	0	0	0
Maintenance and Operation	26,372	1,148	0	7,925	0	0	2,072	37,517
Capital Outlay	0	0	0	0	0	0	0	0
Total Expenditures	26,372	1,148	0	7,925	0	0	2,072	37,517
Revenues Over/(Under) Expenditures	(5,294)	(1,148)	2,404	4,455	0	0	1,528	1,945
OTHER FINANCING SOURCES/(USES):								
Transfers from Municipal Authority	0	0	0	0	0	0	0	0
Total Other Financing Sources/(Uses)	0	0	0	0	0	0	0	0
Revenues and Other Sources Over/ (Under) Expenditures and Other Uses	(5,294)	(1,148)	2,404	4,455	0	0	1,528	1,945
Fund Balance, Beginning of Year	49,218	4,593	42,900	47,733	4,624	9,000	10,281	168,349
Fund Balance, End of Year	<u>\$43,924</u>	<u>\$3,445</u>	<u>\$45,304</u>	<u>\$52,188</u>	<u>\$4,624</u>	<u>\$9,000</u>	<u>\$11,809</u>	<u>\$170,294</u>

**NICOMA PARK DEVELOPMENT AUTHORITY
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
ENTERPRISE FUND
AS OF JUNE 30, 2021**

ASSETS

Current Assets:	
Cash, Including Time Deposits	\$1,484,893
Future Debt Service Costs Advanced to Fiscal Agent	61,281
Total Current Assets	<u>\$1,546,174</u>
Non-Current (Capital) Assets:	
Wastewater Infrastructure	3,649,642
Water Line Extension	182,937
Less: Accumulated Depreciation	<u>(1,664,126)</u>
Total Non-Current (Capital) Assets	<u>2,168,453</u>
Total Assets	<u><u>\$3,714,627</u></u>

LIABILITIES

Current Liabilities:	
Warrants Outstanding	\$15,007
OWRB Notes Payable - Current Portion	173,359
Total Current Liabilities	<u>188,366</u>
Non-Current Liabilities:	
Customers' Deposits Payable	37,273
OWRB Notes Payable - Non-Current Portion	<u>3,867,248</u>
Total Non-Current Liabilities	<u>3,904,521</u>
Total Liabilities	<u><u>\$4,092,887</u></u>

NET POSITION

Unassigned	<u><u>(\$378,260)</u></u>
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**NICOMA PARK DEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

OPERATING REVENUES:**Charges for Services:**

Sewer Revenue	\$254,098
Stormwater Fees	7,344
Garbage Collection	23,178
Water Revenues	8,798
Total Charges for Services	<u>293,418</u>

Taxes:

Sales Tax	<u>496,595</u>
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Miscellaneous

Rents	5,500
Other Income	103,570
Interest	203
Total Miscellaneous	<u>109,273</u>

Total Operating Revenues	<u>899,286</u>
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OPERATING EXPENDITURES:

Maintenance and Operation	5,291
Services and Charges	42,158
Professional Services	31,398
Contractual Services	224,382
Capital Outlay	896,306
Debt Service - Interest & Administration	233,529
Depreciation Expense	<u>65,117</u>

Total Operating Expenditures	<u>1,498,181</u>
------------------------------	------------------

Revenues Over/(Under) Expenditures	<u>(598,895)</u>
------------------------------------	------------------

OTHER FINANCING SOURCES/(USES):

SRF Drinking Water Proceeds	655,655
Estopped Warrants	130
Transfers from Other Funds	22,259
Transfer to Other Funds	<u>(103,832)</u>

Total Other Financing Sources/(Uses)	<u>574,212</u>
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Revenues and Other Sources Over/(Under) Expenditures and Other Uses	(24,683)
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Net Position, Beginning of Year	<u>(353,577)</u>
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Net Position, End of Year	<u><u>(\$378,260)</u></u>
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**NICOMA PARK DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS - ENTERPRISE FUND TYPE
MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Cash Flows from Operating Activities:

Net Income (Loss) from Operations	(\$598,895)
Less: Non-Cash Adjustments - (Depreciation)	65,117
Net Income (Loss) from Operations - As Adjusted	<u>(533,778)</u>

Cash Flows from Capital and Related Financing Activities:

Transfers In (Out)	(81,573)
Increase in Amount Held by Fiscal Agent	(12)
	<u>(81,585)</u>

Cash Flows from Capital and Related Financing Activities:

OWRB Loan Payments	(99,924)
Estopped Warrants	130
SRF Drinking Water Proceeds	655,655
Increase (Decrease) in Warrant Payable	(351,142)
Increase in Refundable Customer Deposits	1,406
	<u>206,125</u>

Net Increase (Decrease) in Cash and Cash Equivalents (409,238)

Cash and Cash Equivalents, June 30, 2020 1,892,712

Cash and Cash Equivalents, June 30, 2021 \$1,483,474

**THE CITY OF NICOMA PARK, OKLAHOMA
COMBINING BALANCE SHEET - MODIFIED CASH BASIS
TRUST AND AGENCY FUNDS
AS OF JUNE 30, 2021**

	<u>MUNICIPAL COURT FUND</u>	<u>TOTALS (Memorandum Only) Only)</u>
<u>ASSETS</u>		
Cash, Including Time Deposits	<u>\$107,432</u>	<u>\$107,432</u>
Total Assets	<u><u>\$107,432</u></u>	<u><u>\$107,432</u></u>
<u>LIABILITIES</u>		
Warrants Outstanding	<u>\$118</u>	<u>\$118</u>
Total Liabilities	<u>118</u>	<u>118</u>
<u>FUND BALANCE</u>		
Unreserved Fund Balance	<u>107,314</u>	<u>107,314</u>
Total Fund Balance	<u>107,314</u>	<u>107,314</u>
Total Liabilities and Fund Balance	<u><u>\$107,432</u></u>	<u><u>\$107,432</u></u>

**THE CITY OF NICOMA PARK, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - MODIFIED CASH BASIS
TRUST AND AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	MUNICIPAL COURT FUND	TOTALS (Memorandum Only) Only)
REVENUES:		
Fines	\$427,979	\$427,979
Court Bonds	32,569	32,569
Intergovernmental	548	548
Refunds	(870)	(870)
Total Revenues	<u>460,226</u>	<u>460,226</u>
EXPENDITURES:		
Maintenance and Operation	368,307	368,307
Capital Outlay	0	0
Total Expenditures	<u>368,307</u>	<u>368,307</u>
OTHER FINANCING SOURCES (USES):		
Estopped Warrants	<u>118</u>	<u>118</u>
Revenues Over/(Under) Expenditures	92,037	92,037
Fund Balance, Beginning of Year	<u>15,277</u>	<u>15,277</u>
Fund Balance, End of Year	<u><u>\$107,314</u></u>	<u><u>\$107,314</u></u>

MANAGEMENT LETTER AND COMMENTS

Chas. W. Carroll, P.A

302 N. Independence
Independence Tower - Suite 103
Enid, Oklahoma 73701

Phone 580-234-5468
Fax 580-234-5425

May 30, 2023

Honorable Governing Board
City of Nicoma Park, Oklahoma

We have audited financial statements of the City of Nicoma Park, including the Nicoma Park Development Authority, as of and for the year ended June 30, 2021, as listed in the table of contents, and have issued our report thereon dated May 31, 2023. As a part of our audit, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary solely to determine the nature, timing and extent of our auditing procedures. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole, and we do not express such an opinion.

However, during our audit we became aware of some matters that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated January 19, 2011, on the financial statements of the City of Nicoma Park.

We will review the status of these comments during our next audit engagement. We would be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We also wish to express our appreciation of the courteous attention and cooperation which we received from staff members during our engagement.

Sincerely,

Chas. W. Carroll, P.A.

**CITY OF NICOMA PARK
OKLAHOMA COUNTY, OKLAHOMA
MANAGEMENT LETTER COMMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

PRIOR YEAR'S COMMENTS AND RECOMMENDATIONS

Some corrective action has been taken by the City with regard to the prior year's comments. (Those comments which have not been completely resolved are repeated below as applicable.)

CURRENT YEAR'S COMMENTS AND RECOMMENDATIONS

PURCHASING

Our review of purchase orders indicated that there were some purchase orders dated after the accompanying invoices. (This practice indicates that some purchases were made or that some obligations were incurred without prior written approval.) We recommend that more care be exercised to insure that purchases are only made subsequent to the proper execution of a written purchase order.

We noted only one instance where the Purchase Order was not approved by signature.

We also noted only one instance where sales tax was paid on a purchase.

CITY'S RESPONSE TO AUDIT COMMENTS AND RECOMMENDATIONS

The City has received the findings and recommendations above and will review current procedures in order to implement necessary changes. It appears that the current staff has already implemented many of the recommendations.